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UNITED STATES DEPARTMENT OF AGRICULTURE

Economic Research Service
Economic Development Division

Development and Antipoverty Work
--An Exploration of Questions Relating to Rural People 1/

by

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It is a pleasure to bear witness with you today on problems of major common concern. Interest in area development and related antipoverty measures has never been stronger.

Recent Changes in Instruments for Program Development and Support

Recent times have seen the development of several new media to enable an improved focus on rural poverty and what we may do about it. Within the Federal Government, efforts of the various departments and agencies have focused increasingly on ways to improve the effectiveness of existing programs and to point to program gaps. Other signs of increasing activity are: On September 30, 1966, the President, through Executive Order 11307, directed the Secretary of Agriculture to coordinate Federal programs affecting agricultural and rural area development. The President has also appointed two Commissions which are working in this broad field -- the Commission on Food and Fiber and the Commission on Rural Poverty. The last year has also seen the designation of five Economic Development Regions authorized under Title V of the Public Works and Economic Development Act of 1965. These regions embrace a significant segment of the rural population. They are the Ozarks (parts of Arkansas, Missouri, and Oklahoma), Upper Great Lakes (parts of Michigan, Minnesota, and Wisconsin), Coastal Plains (parts of North Carolina, South Carolina, and Georgia), Four Corners (parts of Arizona, Colorado, New Mexico, and Utah), and New England (all six New England States). The new Commissions to plan the development of these regions can be expected to reinforce the ongoing efforts in Appalachia. Economic development districts authorized under Title IV of the Public Works and Economic Development Act can be expected to enable modest financing for planning the development of a limited number of multi-county areas. Quite recently, too, the Farmers Home Administration, through State and local Technical Action

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Panels that involve all relevant agencies of the Department, has been given responsibility for the "outreach" function of the Department.

Outside the Federal Government, we have seen the recent establishment of the National Association for Community Development "for the purpose of stimulating and assisting in the national effort to provide all citizens with the opportunities and assistance necessary for them to realize their full human and economic potential through education, job training, neighborhood organization, agricultural and business development, and programs of special social services". And, of course, many State, local, and voluntary organizations and private foundations, such as the North Carolina Fund and the Ford Foundation, are increasingly active in community affairs.

Many eminent citizens and the poor themselves have testified before these various groups and many more are actively involved with them in a determined effort to provide effective programs to fight poverty and foster national economic development. Those who have given generously of their time and talents include members of the legislative and executive branches of government at Federal, State, and local levels, private citizens, private businesses, and voluntary organizations. Your own Rev. Larold K. Schultz was among those who testified recently before the National Advisory Commission on Rural Poverty.

I do not presume to interpret the knowledge and experience implicit in all these activities. I believe they represent major attempts to regroup forces for an increasingly effective assault on rural poverty.

Problems of Communication

The very fact that we have such major new instruments does seem to me to place a still greater premium on the provision of effective economic intelligence and improved communications among all participants. I would like to explore with you some of the problems of understanding that seem basic to the successful development of communities, areas, and regions and the elimination of rural poverty.

Many of the terms central to our discussion can be defined in many ways. What is "development"? What is "poverty"? What is "rural"? What is a "community" or an "area", a "district" or a "region"? These terms are only as good as the results made possible by their effective use. May I suggest that quite liberal and abbreviated use of such terms can lead us to productive agreement?

At a minimum, community development can be thought to mean more jobs and more income for residents of that community. For depressed or disadvantaged communities, the climate of public opinion insists on more jobs and much more income -- now. I wonder if we are sufficiently aware of the awesome commitment we are making when we properly endorse such an increase in parity of economic opportunity.

Even in this great Nation, can we point to a single community, urban or rural, that we could agree is adequately developed? Even relatively large changes in county median income are difficult to attain. This is the minimum income level attained by half the families who live in the county. Suppose we take all the counties in the United States and rank them by county median income in 1949 and 1959. Then we can compare the relative income levels of all counties at the beginning and the end of the decade. Economists in the Economic Research Service have done just this. They found that only 40 counties out of more than 3,000 showed a significant relative increase in income and some 87 showed significant relative decreases. Moreover, these 40 showing significant increases were in 21 States. And those counties that showed the most significant relative income increases numbered only 6. These 6 included, for example, Madison County, Ala. (the site of Huntsville) and Brevard County, Fla. (the site of Cape Kennedy).1/

We could readily agree, I believe, that improved public services and facilities are needed so that private enterprise can make an adequate contribution to community development by creating more jobs. In the face of this need for business enlargement and new businesses in depressed communities, the infant mortality rate of new businesses is a forbidding statistic. Throughout the Nation, more than half of all new firms are destined to close within 2 years, and two-thirds within 4 years, with the loss of the hopeful entrepreneur's investment and little or no recompense for his labor. Only a few expand and assume an important place in their industry. Yet over 400,000 new nonfarm firms are started each year. 2/

1/ The following publication classifies all counties in the United States into quintiles according to their median family income in 1959; Haren, Claude C., and Glasgow, Robert B., "Median Family Income and Related Data, by Counties", RDED, ERS, U.S. Department of Agriculture, Stat. Bul. No. 339, Feb., 1964.

A tabulation was made of all counties for which the median family income had changed at least two quintiles, up or down, since 1949. Those counties upgraded to this extent numbered only 40 in 21 states. Moreover, those upgraded at least three quintiles numbered only 6 and included, for example, Madison County, Ala. (the site of Huntsville) and Brevard County, Fla. (the site of Cape Kennedy).

Those counties in which median income was correspondingly downgraded at least two quintiles numbered only 87 in only 11 states--all traditionally "farming states" except West Virginia and Nevada. (Seasonal variation, no doubt, accounted for some of this income variation based on a comparison of only 2 years.) No more than one-fifth of all counties showed increases in median income equivalent to the national average increase.

2/ Denison, Edward F., "The Sources of Economic Growth in the United States and the Alternatives Before Us", Committee for Economic Development, 711 Fifth Avenue, New York 22, N.Y., Jan. 1962, p. 164 and related footnote 2 referring to: Betty C. Churchill, "Age and Life Expectancy of Business Firms", Survey of Current Business, Dec. 1955.

Again, the relative success of the Area Redevelopment Administration in creating jobs is a valuable source of information. Over its period of operation -- May 1, 1961, to August 31, 1965 -- ARA created a total of 117,875 direct and indirect jobs. Nearly 65,000 of these jobs -- more than half -- were in rural areas. Yet this very creditable effort is dwarfed by an estimated need for the equivalent of at least 1.5 million jobs today. These are the million "hard-core" unemployed and the half-million who are not even counted as unemployed. 1/ During more than 4 years, some 1,120 areas were designated for assistance under the ARA program. By the end of the program 192 areas (about 1 out of 6 designated) were no longer eligible for assistance. 2/

Let me try to give some further perspective on the size of programs such as ARA and the successor Economic Development Administration that deal explicitly with employment and income problems of depressed communities. In fiscal year 1963, Defense Department prime contracts amounted to some \$28 billion. 3/ Estimated direct employment from these prime contracts alone was 1.5 million and combined direct and indirect employment could have exceeded 5 million. This is 40 jobs for every 1 created over the whole 4 years of the ARA program.

Moreover, of this \$28 billion in prime defense contracts, some 33 percent went to two states (23 percent to California and 10 percent to New York). Some 100 companies and their subsidiaries received 74 percent of these contract awards; 5 companies received 23 percent. 4/ In other words, individual companies could have received more in 1 year in such contracts than the entire ARA appropriations throughout its 4 years of operation.

Moreover, using this 5 million figure for the jobs created through Defense Department prime contracts, we find that total Federal expenditure per job created was about \$5,600. Under the ARA program, only 7,120 jobs were created that involved ARA investment in industrial or commercial loans of at least \$5,600 per expected job. 5/

1/ Economic Report of the President, Jan., 1967, p.5

2/ "Creating New and Permanent Employment", Annual and Final Report of the Area Redevelopment Administration, Fiscal Year 1965, U.S. Department of Commerce, Dec. 1965

3/ Southern, John H., "Regional Growth and Development and Rural Areas", talk at the 42nd Annual Agricultural Outlook Conference, Washington, D.C., Nov. 17, 1964, p.13

4/ Ibid, p. 13

5/ "Creating New and Permanent Employment", op. cit., p.6

Examples of ARA industrial-commercial loan funds required by various industries per expected job as of August 31, 1965 are:

<u>Industry</u>	<u>ARA Dollars Per Job</u>
Lumber, wood products	4,495
Foods and kindred products	3,466
Hotels and motels (commercial)	6,820
Rubber and miscellaneous plastic products	4,433
Stone, clay and glass products	7,563
Apparel and other finished products	1,065
Recreation services	4,866
Fabricated metal products	3,886
Furniture fixtures	2,109
Electrical machinery, equipment and supplies	3,111

Thus, it is not surprising that serious students of the subject have pointed to the possible need for much larger and bolder experiments even if antipoverty and community development programs are to be given a meaningful test. Typical of this questioning are the recent comments of Dr. Benjamin Chinitz ^{1/}, before the National Advisory Commission on Rural Poverty as follows:

"Vietnam aside, we have been reluctant to make a large commitment to depressed area programs because of a haunting suspicion that we were working against natural forces and that our efforts could readily be of no avail. I think this risk is greater the smaller the effort."

This possible need for a much larger scale of pilot programs in domestic development is just as applicable, of course, to programs of other major agencies, such as Agriculture, Labor, Health, Education and Welfare, Housing and Urban Development, and the Office of Economic Opportunity as it is to work of ARA's successor agency, the Economic Development Administration.

Attaining such a needed increase in scale is no small chips. There is no lack of legitimate project applications. The biggest bottleneck, it seems to me, is the very considerable undersupply of trained and experienced manpower. Increased program scale does, of course, offer the alternative prospects of greater success and greater failure. To tip the scales in favor of success requires competent and timely economic and statistical intelligence on program performance and aggressive thinking on future program needs. Yet the professionals needed for such program support are already spread transparently thin in staffing present programs, in attempting to meet the expanding needs

^{1/} "Rural Poverty", Summary of Testimony Prepared by Benjamin Chinitz to be presented at the hearing of the National Advisory Commission on Rural Poverty, in Washington, D.C., Feb. 16, 1967 at 9:30AM

of private enterprise, local, and State governments and, perhaps most of all, in staffing the colleges, universities and other institutions that seek to provide the needed equality of opportunity for the new generation. This thin spread of professionals makes it increasingly likely that those charged with the formal training of the needed new professionals for antipoverty and development programs themselves have had insufficient meaningful experience to ensure that the training they offer is relevant to the future domestic needs of the Nation. On the other hand, those directly involved in these programs can scarcely afford to allot time to such training programs and cannot afford not to. Media for surmounting this impasse appear to be an urgent national need.

May I give just one illustration of the extent of the substantive difficulties involved in providing the needed professional support?

Poverty has many causes. Racial discrimination is one. True enough, the percentage of nonwhites in poverty (by commonly accepted definitions) is higher than the percentage of whites. By the same token, however, the total number of poor rural white residents is about three times the number of poor nonwhites in rural areas. This majority representation of poor whites in rural communities emphasizes the basic importance of characteristics other than race. In other words, even if there were no such thing as racial discrimination, most of those who are now poor would still be poor. Once again, the difficulties of providing for adequate community development and anti-poverty measures loom large indeed.

The limited but impressive number of "success stories" in overall community betterment provides a further challenge to our collective abilities, energy, initiative, and strategic use of these resources. We can safely conclude that massive resources must be brought to bear on the problems of community development. Beyond that, our limited experience suggests that what we know -- for sure -- is that we know next to nothing. Yet we must fight on -- now. How? This is, of course a normal problem facing scientists -- and others, too. The scientist's answer seems apt, too. It is -- trial and error -- systematic trial and systematic correction of errors. Demonstrations are their staple -- demonstrations in the sense of trying new ways systematically -- not demonstrations in the sense of Narcissan outbursts. Just as much as in the space program, we are entering unknown territories. We aim for the moon in 1970. A better life on earth seems much less easily attainable. The new Regional Development Commissions, along with the Appalachian Regional Commission offer promising new media to systematize our knowledge. For the first time, these novel media exist for tailoring Federal and State programs to the special needs of depressed regions and the many rural communities they encompass.

Implications for Anticipatory Analyses and Programs

The limited lessons of the past force us to focus on forward-looking analyses and programs. Let's take a look in the crystal ball.

When war on poverty was first declared, the "poverty line" was set at \$3,000 family net money income or a \$1,500 income for an unrelated individual. By 1975, now closing in on us, a comparable poverty line probably will be a \$4,000 family net money income. Moreover, that poverty line will probably be just as applicable to farm families as to nonfarm families. Are we ready for these adjustments?

More than that, the war on poverty and economic development programs come together in the job market. Increasingly, welfare payments or direct minimum income payments are mentioned as legitimate and possibly effective measures for specially disadvantaged people. Yet most people and most communities will probably expect to escape from poverty by contributing more themselves to the Nation. Poor people, along with others, will train, will work, will advance through increased productivity. Poor communities will restructure to provide more jobs, more training and education to fit people for these jobs, and more and better services and facilities so that residents can both earn more and better enjoy their work and their leisure.

For rural areas, this probably means more urbanization. To be effective, this further urban growth does not mean further piling up of people in already congested areas any more than it means a "back-to-the-land" movement. Thoughts turn rather to the selective development of new strongholds for the launching of business ventures and the provision of opportunities for personal fulfillment. These strongholds would likely be cities or clusters of cities, some with several hundred thousand people, some smaller, that would together enable all citizens to have access to minimum socially acceptable levels of community services and facilities -- public and private.

Developing such clusters will likely involve careful encouragement of the joint expansion of many present communities under 250,000 population -- some of them quite small. Perhaps there will also be room for the establishment of a limited number of new cities to provide further support to the development efforts of present communities. Some such cities could well be placed in presently depressed rural regions. There, they would take advantage of relatively lower land values (and enable windfall gains for some of the previously disadvantaged landowners) and yet could be located near abundant water and potential power supplies, in scenic areas with congenial climates, on major highways and with adequate rail, air, and other transportation, and communication, financial, and technical links to present cities. This direct and indirect strengthening of the facilities and services of present communities would then enable rural residents to have increased access to training and job opportunities and other features of a good life. The need for major resettlement programs would be reduced, although some resettlement assistance might still be needed. New needs would, of course, emerge -- notably the needs to guard against such a packaged approach to community development that individual and community initiative would be stifled -- not stimulated -- that individual and community identity would be submerged -- not sublimated.

Thus, for effective urbanization to meet national needs, recent experience with so-called "new cities" is likely to be valuable background but not, in itself, a blueprint for the future. In this connection, some of you may have read the recent testimony of Mr. Robert E. Simon, Jr., President of Reston, Virginia, Inc. before the National Advisory Commission on Rural Poverty. Mr. Simon pointed out that a satellite city, such as Reston, can provide an attractive community for people to live and work, if it has a population of some 50,000 in a planned environment. Reston can succeed with only 50,000 mainly because it is near the Nation's Capital.

In rural areas, such as the depressed communities that are our major concern, parity of opportunity for living, learning, and working would apparently take a much larger city, or the provision of equivalent services, through complementary clusters of smaller communities. May I quote Mr. Simon on this?

"New towns constructed in rural areas would require much larger populations in order to support the educational, cultural, and social institutions modern Americans expect of their communities. It is difficult to set a pat figure for what the population of a new town in a rural area should be, but I would suggest that 250,000 people is a minimum."

During the decade of the 1950's, counties with cities of at least 50,000 showed the greatest relative increase in civilian employment -- nearly 33 percent (table 1).

Table 1.--Change in total civilian employment, 1950 to 1960, in U.S. counties, classified by size of largest city in 1960.

Size of city in the county	Percent change in total civilian employment
Below 5,000	-22.4
5,000 - 9,999	+ 1.0
10,000 - 24,999	+ 8.6
25,000 - 49,999	+16.4
50,000 and over	+32.8
Total - United States	+14.5

Includes Alaska and Hawaii

Source: Southern, John H., *Regional Growth and Development and Rural Areas*, a talk at the 42nd Annual Agricultural Outlook Conference, Washington, D.C., Nov. 17, 1964, p.8

Yet, for rural people, it is at least as important to recognize that, on the average, counties with towns of at least 10,000 showed parallel, if lesser, increases in civilian employment. As the accompanying simplified map illustrates, possibly one of four rural people live beyond convenient commuting range to a city of at least 25,000 (figure 1). In many remote areas, neither the establishment of larger cities nor the relocation of the present population are practical ways of increasing the access of residents to adequate community facilities and services. Joint efforts of several smaller communities and relevant staff of Federal, State, local, and private organizations will likely be needed to mobilize the joint resources of smaller communities to provide such facilities and services.

Such a rounding out of the national latticework of cities and transportation links could scarcely occur "naturally". Its successful implementation would likely hinge on major policy agreements. The Federal Government would likely be a major customer of industries located in such new areas -- just as major defense contracts have contributed much to the development and confirmation of the present pattern of urbanization. The resultant pattern for living and working could be thought of as a synthesis of the best attributes of present cities and present rural areas.

Such a major redeployment of population could, of course, benefit both town and country. Indeed, without further supplementary measures, it could well benefit present urban people much more than rural people. Let me try to give some reasons. To win the war on poverty and yet contain inflationary pressures on wages and prices, we must strive constantly for increased human productivity. This means that, so far as feasible, we need to find productive jobs for the millions (rural and urban) who are poor mainly because they lack jobs or are underemployed through seasonal slumps and for other reasons. To a large extent, the jobs these poor can do best are jobs similar to those held by the least skilled members of the labor force. At the same time, many skilled jobs go unfilled and the demand for many services is unmet because we lack the skilled people, the experienced managers, even sufficient information to meet these needs. In such an environment, the claim that general measures to increase the national demand for goods and services will "soak up" unemployment deserves further testing. Strategic expansion of clusters of promising communities far removed from present megalopoli and major cities and perhaps, some attempts to establish new cities are such a test. If suitably conceived and executed, such an urbanization program could thus provide further incentives and opportunities and an increased proportion of relevant training facilities and services so that present members of the labor force could be promoted, through merit, to increasingly responsible jobs. Thus, more vacancies would occur in jobs that required lesser skills and experience.

Some pressing statistics underline the urgency of the need to accelerate training and promotion for present members of the labor force (rural and urban) as a prime condition for providing parity of opportunity to the rural and urban poor. By 1975, the U.S. population is projected to number from 215 to 228 million compared with a 1966 figure of around 197 million. 1/ With no other places to go, these extra millions are likely to rally in present metropolitan centers. However, a disproportionate number of these new workers, job hunters and jobless, will be less than 30 years of age. The numbers in the labor force in the 18 to 24 age group, whose unemployment rates have been much above average are projected to increase at double the national average rate. 2/ Competition for jobs will be fiercer than the reported pressures now faced by many of our high school students. Under such superheated conditions, suitably conceived urban expansion in hitherto depressed rural regions offers hope as a needed new safety valve.

Such new balanced urban growth does not, of course, offer an automatic answer to rural poverty and depressed rural communities. Today, urban slums offer living testimony to the difficulties of attaining balanced urban growth and opportunities. Moreover, we could find many counties that adjoin large cities, yet have more than their share of the rural poor. Only if explicit means are found for the joint upgrading of opportunities for urban and neighboring rural people can we be convinced that balanced urban growth or any other combination of new programs will play a needed part in community development and the elimination of rural poverty. I see no way to ensure this other than a "show me" or experimental basis. I see the need to evaluate contributing projects on their own merits and in the context of the special circumstances that govern their scope and effectiveness.

Possible Changes in Patterns of Migration

Given an effective "show me" approach to joint rural-urban development, I see heartwarming scope for changes in patterns of migration and in the economic opportunities of individual small communities. Most of you are familiar, no doubt, with past patterns. In the 10 years up to 1960, counties with no town of at least 10,000 most frequently lost population and generally had the least percentage of increase in nonfarm jobs. Those who left home for distant bright lights in the cities were most often the young, those with above-average education and training, those in good health -- and in short, those citizens whom most communities could ill afford to lose, but were too poor to keep. Small businessmen, property owners, schools, and churches all suffered through these declines in population and lagging community

1/ Economic Report of the President, Jan. 1967, p. 235

2/ "U.S. Economic Growth to 1975: Potentials and Problems", Joint Economic Committee Print, U.S. Congress, Dec. 1966, p.32

incomes and revenues. We can reasonably expect that many young people in rural communities will continue to find training and job opportunities elsewhere -- just as many urban people do. But we cannot reasonably conclude that these rural outmigrants will continue to be a net loss to their home communities. Upgrading the economic opportunities of depressed rural regions appears to depend crucially on finding ways to attract to those regions significant numbers of experienced members of the labor force -- business and professional people with above-average skills and above-average incomes. New towns and aggressive expansion of some towns now in these regions offers a promising basis for attracting such people.

Whatever it takes to muster the needed talent and experience at promising sites in a depressed region, any such successful effort would change the economic prospects of innumerable other communities. How? Again, we await some "show me" guidance. Certainly, we cannot say that communities of any given size or special characteristics either do or do not have the best economic prospects. Certainly, we cannot say that all communities now in depressed regions will prosper. But it does seem that many such communities could link their future with new economic and social centers in a region. A vigorous new employment center could offer jobs, training, even new social experiences to residents for miles around. Such a center could encourage more migration within a region and still more in-migration, in contrast to the steady out-migration to distant centers.

The Need for Pragmatic Application of Other Measures

Balanced urbanization, just like any other single program is unlikely to be a panacea. Other measures can be expected to supplement or substitute for such a program before poverty is contained. These measures, like any practical urbanization program, will only be successful if they enable a practical widening of opportunities for all citizens. Dr. Ernest J. Nesius, Vice-President, West Virginia Center for Appalachian Studies and Development, recently testified to this need before the Commission on Rural Poverty. May I illustrate with a quotation?

"A dominant characteristic of the rural community and open countrysides is the absence of alternative employment opportunities. A coal community will serve as the example where there is only one major employer. Another situation is where there are many employers but for only one type of work, for example, tobacco production. In either instance, the worker, whether he works for wages only or whether he is a small farm operator, has limited alternative employment opportunities. In effect, he is locked in both incomewise and occupationally; he has neither bargaining power nor an occupational ladder. Therefore, he is automatically in the low-income group."

This same situation may, of course, apply to some urban groups, especially if a local employment service has a limited system of referrals.

The Processes of Economic and Community Development

On the basis of these explorations, let me hazard a statement on what we mean by national economic development and community development. I would then like to close with some comments on the problems of involving poor people, particularly poor rural people, in these processes.

Let us grant, for the moment, that national economic development will be associated with continued increases in the gross national product and population, without undue price and wage inflation. Economic development may also be thought to mean increasing the practical opportunities for choice available to all citizens -- as individuals and as family members, as males or females, as businessmen and managers, owners of real estate and other capital, as wage and salary earners, as students and trainees, as retirees, and as consumers. Among the choices of expected major significance are those with respect to (a) ways of increasing productive potential through improved health, education, and training, choice of type and location of business, choice of residence, and social assimilation; (b) ways of realizing this potential, such as improved inter- and intra-occupational mobility, geographic mobility, and anticipatory applications of new technology and new legislation; and (c) for given levels of consumer income (including receipts from welfare programs), ways of spending this income on such goods and services as health, housing, education, food, clothing, personal services, and other leisure activities.

Consistent with this national process, community development concerns the attainment of increased real per capita incomes by residents of a community, including increased accessibility to public services and facilities, with the help of regional, State, district, and community economic and social policies and programs, particularly for investment in human and physical resources, that are in harmony with interrelated national policies and programs. Most particularly, the harmonizing of the various subnational with national policies appears to require that, as far as possible, increased personal incomes result directly from increased human productivity associated, for example, with increased employment, promotions based on merit, increased business and managerial incomes, and improved public services congruent with increased demands.

Implied Congruence of Town and Country Interests and Standards

To wage a successful war on poverty is to involve many millions of poor people successfully in the many-faceted and interrelated processes of development and to ensure that those not now poor do not fall by the wayside. Assuming we do not shrink from this task, it is natural enough to look for all the help we can get.

In seeking this help, we may be heartened by the apparent increasing congruence of town and country interests that the future holds -- a congruence already recognized in your own realignment of sections. If my conjectures are correct, effective urban development and effective rural development will necessarily be opposite sides of the same coin. Rural areas and urban areas may, of course, continue to have intrinsic problems and opportunities. Yet attainment of parity of opportunity for rural people appears to involve the joint stimulation of clusters of communities of various sizes and their hinterlands, including areas with no significant town.

Some may question whether a poor family can now live "more cheaply" in the country than in the city. The present answers may vary. Yet it seems highly probable that the amount of restructuring of communities and areas necessary to ensure parity of opportunity to rural people will be considerable. By 1975, then, a \$4,000 family net money income would seem equally applicable to rural and city families. The rural family that apparently "lived more cheaply" would likely be one with "nothing better to do". In other words, this cheaper living would be a symptom of greater poverty, since the breadwinner lacked job opportunities and other uses of his time comparable to those of the urban breadwinner.

Data Gaps and the Implied Need for Experimentation

Our united efforts would still be crippled by data gaps -- indeed data gulfs! To a casual observer, we can do much to describe conditions in 1960 or earlier, but little more than guess at the present or the future. However, the situation does not bear closer scrutiny. Without special studies (some of which the Economic Research Service is now making) it is also impossible to identify meaningful target groups for development and antipoverty programs. It is alarming, for example, to know that, in a given county, 4 out of every 10 houses do not meet socially accepted minimum standards. Yet to remedy this situation in more than a superficial way, we need to know how many and which of these disadvantaged families have no breadwinner and why, which families lack employment because of age, physical or mental disability, lack of transportation, clothing, medical care, or for other reasons. Yet present data sources commonly do not permit ready tabulation of this detailed information. And getting it is likely to be very expensive.

While these data gaps are being filled, the premium on systematic experimentation in development and antipoverty programs is so much greater. I have already alluded to some promising media for such experimentation -- notably the new Economic Development Regions. The ongoing programs of the U.S. Department of Agriculture provide other promising media. It is common to hear it said that the price-support program has not enabled most small farmers to escape from poverty. True enough. Yet I wonder if we are not selling these programs short, if we do not recognize their potential in fulfilling further needs of society. After all, with such inadequacies in present data, the mere lists of participants and potential participants in present programs

of the Department are themselves a powerful beginning to program improvement. We might ask of these lists, for example, what else is needed to bring these people to socially acceptable levels of living at least public cost. What scope is there, for example, for minimum income payments, relocation grants similar to those available for displaced urban residents, improved transportation to jobs and training, and other measures? And we would expect to enlist all possible help in a systematic search for appropriate answers. Moreover, in evaluating present programs, we have a continuing responsibility to ask whether they are adequately funded to carry out their respective mandates.

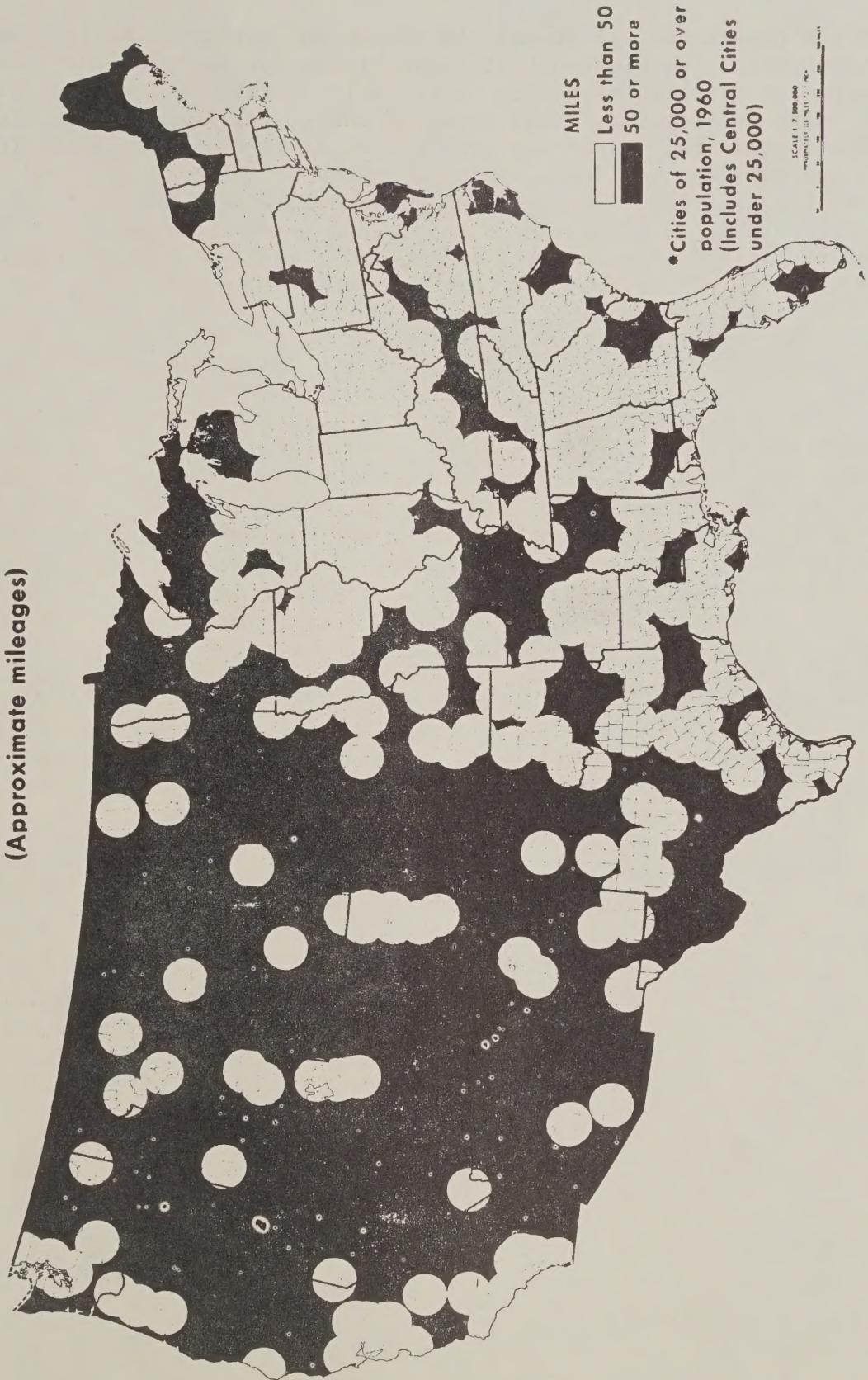
Conclusion

In conclusion, I would like to thank you for your earnest attention. I have tried to give you my view of some of our most pressing common problems. Community development and closely related antipoverty efforts are a challenge of major scope and yet inscrutable dimensions. This challenge warrants our best efforts -- strategically conceived and systematically executed. These efforts will necessarily be forward-looking -- a powerful catalyst for melding interests of town and country, and of the poor and not-so-poor. And these efforts will continue to be made in a milieu of inadequate data and uncertainty. Hopefully, careful but bold experiments will tend to counteract and reduce this lack of knowledge. I hope to be able to take part in providing better data. I take comfort in the ability of my professional colleagues in ERS and elsewhere to interpret such data. In the face of our continuing uncertainty, however, it is comforting to have the reassurance of your dedication to this major mission.

Thank you.

GENERALIZED COMMUTING DISTANCES TO POPULATION CENTERS*

(Approximate mileages)



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS. 3295-64 (10)

ECONOMIC RESEARCH SERVICE

Fig. 1

CONFIDENTIAL COMMUNICATIONS SOURCE

TO BOMBAY